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Curtis D. Williams
Vice President
Campus Development and
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Mr. Richard Keller
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**California Institute for Regenerative Medicine**
210 King Street
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Dear Richard,

We appreciate the opportunity to review and comment on the draft staff analysis of our CIRM Major Facility Grant Part 2 application. We also appreciate the amount of effort you and your colleagues have put into the review of these grant applications and in the development of your staff analysis.

We feel that the draft staff analysis accurately summaries and highlights what we feel are the key components of our application. For that reason, our comments will be very brief.

We want to emphasize the flexible nature of the laboratory and support spaces that will be created in the Broad CIRM Center. We feel that this flexibility will allow these spaces to be easily modified over time as research techniques and processes change providing long-term value for taxpayers of California.

The draft staff analysis raises the issue of how the FWG should value shell space since we have proposed to develop shell space in the basement of the building to serve as future vivarium. It is a common practice for the University of Southern California to include shell space as part of our building projects. We are an urban campus and we need to maximize the utilization of each of our building sites at the time the building is constructed, even if we cannot afford to fully build out all of that space during the initial construction period. This process has served the University well and we have never faced a situation in which we have not been able to build out the shell space within a short time after the building is completed. We have utilized this process on two recent laboratory building projects – the Zilkha Neurogenetic Institute (which will be connected to the proposed Broad CIRM Center) and the Ronald Tutor Hall of Engineering. In both cases, the shelled space was built-out and fully operational within a year of completion of the base building. We are also utilizing this same approach on two other buildings currently under design – the Campus Center Project and the Student Health Center Project where portions of the building are designed as shelled space.

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We also feel that this approach is the most cost effective from an operational standpoint. Based on our current estimates, our existing vivarium located in the Zilkha building and connected to the proposed Broad CIRM Center, can support the research needs of the Broad CIRM Center during the first few years of operation. Thus, we will be able to serve the current vivarium needs without incurring an unnecessary expense of operating a vivarium below capacity. Once our existing vivaria reach capacity, the shell space will enable USC to complete the additional vivarium, and thus continue to meet the needs of the Broad CIRM Center for animal research.

The design of the building allows for the eventual build-out of the shelled space to be accomplished as economically as possible, especially since the main mechanical room is located directly over the shelled space. Therefore, we feel that there is very minimal risk that this shelled space will not be built-out thus resulting in "sunk" costs.

Thank you again for the opportunity to respond to your draft staff analysis and please let us know if you have any additional questions.

Sincerely,

Curtis D. Williams